

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



August 10, 2023

GI-2023-04-LGS-37-01ABC

Mathieu Fournier (Mathieu.fournier@rockpointgs.com)

Vice President, Operations

Lodi Gas Storage, L.L.C.

400 – 607 8th Ave SW

Calgary, AB T2P 0A7

SUBJECT: SED's Closure Letter for General Order 112-F Gas Inspection of Lodi Gas Storage

Dear Mr. Fournier,

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Lodi Gas Storage, LLC's (LGS) response letter dated July 12, 2023, for the findings identified during the General Order (GO) 112-F inspection of LGS's facilities which was conducted from April 24th to April 28th, 2023.

A summary of the inspection findings documented by SED, LGS's response to our findings, and SED's evaluation of LGS's response taken for each identified Area of Concern is attached.

This letter serves as the official closure of the 2023 GO 112-F inspection of LGS's facilities and any matters that are being recommended for enforcement will be processed through the Commission's Citation Program or a formal proceeding.

If you have any questions, please contact Randy Fienberg at (415) 416-4409 or by email at Randy.Fienberg@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee".

Dennis Lee, P.E.

Program and Project Supervisor

Gas Safety and Reliability Branch

Safety and Enforcement Division

Enclosure: Summary of Findings

cc: Greg Clark, LGS Compliance (greg.clark@rockpointgs.com)

Dennis Lee, SED

Claudia Almengor, SED

Summary of Inspection Findings

Dates of Inspection: 04/24/2023-04/28/2023

Operator: LODI GAS STORAGE, LLC

Operator ID: 31697 (primary)

Inspection Systems: Lodi Gas Storage

Assets (Unit IDs) with results in this report: Lodi Gas Storage (86920)

System Type: GT

Inspection Name: 2023 Lodi Gas Storage Standard Transmission

Lead Inspector: Randy Fienberg

Operator Representative: Greg Clark

Unsatisfactory Results

No Preliminary Findings.

Concerns

Emergency Preparedness and Response : Emergency Response (EP.ERG)

Question Title, ID Emergency Response, EP.ERG.RESPONSE.P

Question 8. Does the emergency plan include procedures for making a prompt and effective response to a notice of each type of emergency, including gas detected inside or near a building, a fire or explosion near or directly involving a pipeline facility, operational failure (including Cyber-attacks), or a natural disaster?

References 192.615(a) (192.615(a)(3), 192.615(a)(11), 192.615(b)(1))

Assets Covered Lodi Gas Storage (86920 (37))

Issue Summary LGS's Emergency Response Plan does not include Cyber-attacks as a type of emergency.

LGS's Response

LGS has updated its Emergency Response Plan (ERP) to include cyber-attacks as a type of emergency. Please see Attachment #2.

SED's Conclusion

SED has reviewed the response from LGS and determined that the corrective action taken sufficiently addresses SED's concern.

Time-Dependent Threats : Atmospheric Corrosion (TD.ATM)

Question Title, ID Atmospheric Corrosion Monitoring, TD.ATM.ATMCORRODEINSP.O

Question 5. Is pipe that is exposed to atmospheric corrosion protected?

References 192.481(b) (192.481(c), 192.479(a), 192.479(b), 192.479(c), 192.481(d))

Assets Covered Lodi Gas Storage (86920 (37))

Issue Summary During field observation, SED noted surface corrosion and disbonded coating on the Wagenet inlet piping at the Birds Landing metering site.

LGS's Response

Lodi Gas Storage inspects and evaluates its pipelines for atmospheric corrosion in accordance with 49 CFR 192.481. As a point of clarification, the surface corrosion identified by SED was located on the Wagenet inlet piping at the Kirby Hills compressor station and it shall be properly mitigated.

Update 080723: the surface corrosion was mitigated on July 10, 2023

SED's Conclusion

SED has reviewed the response from LGS and determined that the corrective action taken sufficiently addresses SED's concern.